

BEYOND MARKETS: Entrepreneurship in the Civil Society

BY PABLO MUNOZ

Entrepreneurship, as a societal phenomenon, is not embedded in those abstractions we call markets, but rather in what we do daily, oftentimes unintentionally and even accidentally, simply as a result of just doing stuff.

In recent years, we have witnessed an array of individuals and communities in the civil society, who are mobilising identities, extant resources and entrepreneurial spirits towards new organisational forms that enable improving their wellbeing and reshaping their realities. Entrepreneurs can always create ventures to help others in non-financial ways, their start-ups not only generate gains but also contribute to others by focusing their attention on future-oriented issues and solutions¹.

Unlike command and control development favoured by exogenous actors, entrepreneurship in the plural sector is a socially and territorially embedded process, where social issues are owned and solved from the ground-up by means of collective venturing, driven by a sense of realisation and a

desire to repair local circumstances. These new civil society ventures are posing challenges to the current functioning of markets and support tools. Mixtures of informal and formal mechanisms, unbounded labour, non-economic transactions, purpose-driven profit, collaborative governance and ownership, territorial attachment, and non-scalability are some of the features local governments, established companies, formal economies and the very same field of entrepreneurship need to deal with looking forward. Before moving forward, let me take one step back to explore the problem, I argue, still prevails.

The imaginary world of entrepreneurship

Entrepreneurship is both a societal and an economic phenomenon, which is not a surprise, yet we insist to frame it almost exclusively within economics and business narratives. Perhaps the fact that entrepreneurship, as a human activity, was captured (hijacked some may say) by business schools around the world may have something to do with it.



Within these business narratives and explanations, entrepreneurship has been treated so far as a relatively exceptional phenomenon, where gifted individuals are capable of recognising or creating opportunities, hidden to most of us, and transform virtually nothing into an operating business, in their parents' garage (sarcasm added). The expectation is that whatever is being created should have high growth potential, ideally attractive to international formal markets and investors. Such success expectation is directly connected to exit strategies through acquisition or some other mechanism aimed at increasing the returns. This notion seems to be something desirable and has cemented the idea of what a successful entrepreneur is.

If asked about it, certainly both policy-makers and aspiring entrepreneurs will be reluctant to state that this is actually true and applicable to the 100% of the entrepreneurial population, around 2.1 billion people in about 196 countries (yes, North Korea also has a growing entrepreneurship community), i.e. roughly 30% including self-employment, those in nascent stages and those transitioning to small business ownership. Yet, underlying this veil of doubt, the impression – and perhaps hope – that this is actually true and possibly persists; and it is in the driving seat carrying the dreams of entrepreneurs, the financial ambitions of investors and the economic promises of politicians and policy-makers.

If not markets, where?

We buy goods from the private sector, have access to welfare services through the public sector, but live our lives and organise our social structures in the civil society².

Scholars and policy-makers interested in business and economic development have claimed entrepreneurship to be a unique phenomenon within their domain, however it is and has always been part of our civic life. And we do not need to recall the quests of early tradesman moving goods from the colonies to the western world. Today and in our streets, we are witnessing the re-emergence of an old practice, where social activism, everyday entrepreneurship, informal economy, sustainability desires

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and cooperative venturing collide to create so far unseen social hybrid forms. This is the result of a series of changes in the way people in the civil society locally interact and organise themselves around purpose and hopes for the future, which have paved the way for the emergence of these new forms of venturing, which leverage existent community resources and a mix of market and non-market mechanisms for the common good.

The civic life is a notion to simply illustrate the rest of us, living rather normal lives with no behavioural control, doubtful or unaware even of whether or not we are capable of developing a successful business. We are curious about the world, but illiterate when it comes to market dynamics, market gaps, and profitable opportunities. The rest of us is not the exact number to illustrate the 99% depicted by the occupy movement, roughly 6.93 billion people in the planet, nor a population of approximately 2,079 million entrepreneurs. It is just the rest of us normal people trying to do something because we need to or simply because it is fun, which may or may not become an enterprise. We are not the ones a great number of entrepreneurship scholars believe we are. Perhaps they know who we are and privately acknowledge our existence, but decided to skip or neglect the rather unattractive bit to keep the entrepreneurial promises alive (such as radical innovation, job creation and economic growth) or simply to engage in a path dependent discussion, initiated by Neo-Schumpeterians decades ago.

This is not to say that there is nothing special in the rest of us. There is always something unique that makes us humans and eventually entrepreneurs. These millions of unintended,





Repair Cafés are free meeting places and they're all about repairing things (together). The Repair Café was initiated by Martine Postma. She organised the very first Repair Café in Amsterdam, on October 18, 2009. It was a great success.

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illiterate, naïve and curious individuals are just trying to do something, which may eventually turn into an enterprise.

Repair cafes, food preps, free-cycling, edible communities, libraries of things, renewable energy co-ops and so many other organisations have emerged throughout the world to fill the gap left by private and public realms³, delivering solutions that give access to products, services and well-being, sustainably and simultaneously. As such, they are contributing to a commons economy and defying the logics the provision of goods and welfare is based upon. These are seen to constitute the kind of society in which those behind the efforts aspire to live. These are mobilising a new breed of associational models no longer reliant on formal market structures, rather on peer production and exchange, close collaboration, alternative currencies, unbounded labour and other unique features, alien to traditional companies.

Too many of our existing social, economic and political systems destroy the bonds we want to have with each other and the natural world that surrounds us, and civil society (ventures) seem to offer a way of re-constituting these relationships on the basis of different set of values in a rapidly changing context⁴.

Entrepreneurship in the civil society is not the same as social enterprises, though they

can easily mutate and turn into one. Although thin, there is a line between the social economy and the associational life, as the mechanisms that work in the market cannot be assumed to produce the same results in the civil society⁵.

What can (or should) we do about it

In light of its uniqueness, it is highly unlikely that the traditional policy logic we have relied on so far to support entrepreneurship will retain its effectiveness. Entrepreneurship support mechanisms from public and private sectors are certainly not prepared to promote and open up the needed space for these ventures in our social and economic structures.

This calls for a serious rethinking of instruments and support instruments, as well as the expected outcome of enterprising activities. In the same way economic growth and job creation are no longer the treasure at the end of the entrepreneurship rainbow, creating start-up nations full of business plan competitions, seed funding, incubators, accelerators and venture capital seems not to be the best way to go. What civil society initiatives need is not more efficiency, performance and “behave like a business”. We need all of those actors involved in the promotion of entrepreneurship, including local governments, academia, and support agencies, to reconsider the how and why of entrepreneurship.

If civil society ventures are desirable and we are willing to support them, enabling open spaces for local interaction and social experimentation becomes much more important than start-up meetings and rapid development of minimum viable products. We need to encourage people to know each other and get them together to reflect on those meaningful issues that cement the building of a good society; in ecosystems for collective action rather than solely in garages for private endeavour. Such a reflection can trigger new local initiatives that will emerge in response to the holes left by private and public spheres, because the promise of profitability or the social cost-benefits analysis were not high enough. The market was simply too small or the problem too specific to deserve private and public attention.


Collective action is virtually meaningless without collective ownership. This emerging sector needs to make sure that part of the economic surplus produced by the initiatives will be effectively reinvested under democratic control. In the United Kingdom, there are more than 3,500 registered community interest companies representing one of the fastest growing enterprise movements in the country. This form was introduced in 2005 as a legal status for new community-driven enterprises in the UK, and it is currently the preferred legal structure for new collective ventures combining social, environmental and commercial interests. It gives a modern legal form to the long-standing cooperative and community company models⁶. The logic of CIC is deeply rooted in the institutional fibres of local communities⁷. They offer a simple organisational structure to channel local, collective action and engage with local issues, sustainably⁸.

These new associational forms operating in the civil society also require a reconsideration of what competition means and whether it is actually still relevant in any feasibility assessment. This is because the civic groups behind these ventures, unlike commercial entities, cannot be substituted by another civic group since membership is based on identity and affinity rather contractual arrangements; and most civil society ventures cooperate with each other as part of a large civil society self-repair kit. I am not trying to paint a pink princess story here. I was one of the co-founders of one of the 900+ Repair Cafes a few years back, and while running it, I simply could not figure out who I was competing against. Every single person I met on this journey, from bankers to repair shop owners, wanted to be part of it or find a way to accommodate the Repair Café experience in their lives.

A third mechanism needing reconsideration is the notion and practice of business planning. The development of business plans relies on goal setting and return expectations for the benefit of the firm and its shareholders, which guide a logical sequence of strategies and tactics aimed at delivering such intended outcomes. Civil society ventures, however, are complex community initiatives articulating change socio-economic processes, where the outcome reflects an envisioned future rather than a set of clearly defined business goals and targets, which are actually the focal point of investment evaluations. This entails, for example, rearranging start-up mentoring around what change they want to see in their communities or what kind of society they aspire to, rather than how many products they expect to sell or how many percentage points they expect to grow in the coming year. Instead of planning strategies and tactics, civil society ventures should think about change pathways, which are the

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set of needed conditions for the envisioned future, relevant to their field of action. These change pathways are unique for each civil society venture as they bring to life the organisation's change logic and its underlying set of assumptions. Instead of a 30-page document delineating ends and means (or rapid prototyping and testing), what is required is a change narrative and description of why and how the desired social and economic change is expected to occur in that specific community. This involves a completely different type of strategic thinking, which is unfortunately unavailable in MBA programmes, start-up incubators and accelerators, and the mind-set of investors, mentors and policy-makers.

Civil society ventures are at the heart of an alternative, non-market economy. They are certainly not attractive for fast flying investors, and perhaps trying to increase their "investment readiness" is a waste of time, but they are part of what we do daily, offering an alternative future, better I believe than what the imaginary world of entrepreneurship is capable of delivering. 

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About the Author



Dr. Pablo Munoz is a lecturer in Business and Sustainable Change at the Sustainability Research Institute, at the University of Leeds in the UK.

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